The Procter & Gamble Company

1984 Annual Report

The Procter & Gamble Company

Cincinnati, Ohio

Contents

Directors

EDWIN L. ARTZT	*Vice Chairman of the Board and President, Procter & Gamble International*
THEODORE F. BROPHY	*Chairman and Chief Executive Officer GTE Corporation — telecommunications, electrical and electronic products, services and systems*
OWEN B. BUTLER	*Chairman of the Board*
GERALD V. DIRVIN	*Group Vice President*
CHARLES T. DUNCAN	*Member of the law firm of Peabody, Lambert & Meyers, A Professional Corporation, Washington, D.C.*
RICHARD J. FERRIS	*Chairman, President and Chief Executive Officer UAL, Inc. — airlines, hotels, and business services*
ROBERT A. HANSON	*Chairman, President and Chief Executive Officer Deere & Company — agricultural and industrial equipment*
EDWARD G. HARNESS	*Former Chairman of the Board and Chief Executive*
AMORY HOUGHTON, JR.	*Chairman of the Executive Committee Corning Glass Works*
THOMAS LACO	*Vice Chairman of the Board*
JOSHUA LEDERBERG	*President The Rockefeller University*
WALTER F. LIGHT	*Chairman and Chief Executive Officer Northern Telecom Limited telecommunications equipment and services*
FRANK R. MILLIKEN	*Former Chairman and Chief Executive Officer Kennecott Corporation metal mining and fabrication, abrasives, refractories and engineered products*
JAMES W. NETHERCOTT	*Senior Vice President*
JOHN E. PEPPER	*Executive Vice President*
DAVID M. RODERICK	*Chairman of the Board and Chief Executive Officer United States Steel Corporation*
JOHN G. SMALE	*President and Chief Executive*
DAVID S. SWANSON	*Senior Vice President*
MARINA v.N. WHITMAN	*Vice President and Chief Economist General Motors Corporation*

Principal Officers

OWEN B. BUTLER .... *Chairman of the Board*

JOHN G. SMALE .... *President and Chief Executive*

EDWIN L. ARTZT .... *Vice Chairman of the Board and President, Procter & Gamble International*

THOMAS LACO .... *Vice Chairman of the Board*

JOHN E. PEPPER .... *Executive Vice President*

Senior Vice Presidents

W. WALLACE ABBOTT
DONALD I. LOWRY
POWELL McHENRY — *General Counsel*
JAMES W. NETHERCOTT
DAVID S. SWANSON
HARRY TECKLENBURG
WAHIB N. ZAKI

Group Vice Presidents

ROBERT E. CANNON
GERALD V. DIRVIN
HARALD EINSMANN
KINGSTON FLETCHER
ALBERT E. HARRIS
SANFORD G. WEINER

Vice Presidents

WOLFGANG C. BERNDT
Germany

BENJAMIN L. BETHELL
Food Products Division

ROBERT T. BLANCHARD
Northern Europe

CHARLES C. CARROLL
Bar Soap and Household Cleaning Products Division

WILLIAM O. COLEMAN
Latin America

WILLIAM B. CONNELL
Beauty Care Division

STEPHEN P. DONOVAN, JR.
Packaged Soap and Detergent Division

CHARLES E. EBERLE
Manufacturing

JAMES M. EDWARDS
Paper Products Division

WILLIAM E. FORBIS
Sales

GEORGE M. GIBSON
Comptroller

ROBERT V. GOLDSTEIN
Advertising

B. JURGEN HINTZ
Beverage Division

MALCOLM JOZOFF
Southern Europe

ROY W. R. KENDALL
Canada

CHARLES A. LIEPPE
Health and Personal Care Division

J. RUSSELL MARSDEN
Japan

WILLIAM D. McHARDY
Disposable Products, Europe

LAWRENCE D. MILLIGAN
Foodservice and Lodging Products Division

GEORGE H. PERBIX
Purchases

GEOFFREY PLACE
Research and Development

SAMUEL H. PRUETT
Personnel

SAMIH A. SHERIF
Export and Special Operations Division

R. MARVIN WOMACK
Engineering

Treasurer

EDWIN H. EATON, JR.

Secretary

ASHLEY L. FORD

Seated are John G. Smale and Owen B. Butler. Standing are Edwin L. Artzt and Thomas Laco.

To Our Shareholders:

Financial Highlights

We submit herewith the Annual Report of The Procter & Gamble Company for the 1984 fiscal year which ended June 30, 1984.

Net sales for the year amounted to $13 billion, an increase of 4% over net sales of $12.5 billion for the previous year.

Net earnings amounted to $890 million, an increase of 3% over net earnings of $866 million for the preceding year. Earnings per share were $5.35, which compares with $5.22 for the previous year.

Dividends of $2.40 per share were paid during the year. The comparable amount for the previous year was $2.25 per share. Dividend payments increased for the twenty-eighth consecutive fiscal year. In July, 1984, the quarterly dividend was increased to an annual rate of $2.60 per share.

The Company's modest earnings increase would, taken alone, seem disappointing. But it reflects the cost of broadening the Company's product base and augurs well for the long-term health and vitality of the business. Last year in the United States five major new brands were expanded from test markets, four of them within the last few months. They include entries into several major product categories that are new to us. This level of new brand investment is unprecedented in the Company's history. And it will continue to have an impact on the Company's earnings growth in 1984-85 — particularly during the early part of the fiscal year.

United States Business

New unit volume records were established by all but one of the domestic consumer divisions and by the industrial and institutional business. Overall domestic net earnings from operations totaled $707 million, a 7% decrease versus the previous year.

Investment in new products increased significantly over the previous year. Four new consumer brands completed national expansion: Citrus Hill orange juice, in both the frozen concentrate and chilled full-strength forms; Ivory shampoo and its companion product, Ivory conditioner; Always sanitary pads for feminine protection; and Encaprin, an analgesic for the relief of arthritic pain and inflammation. In addition, a fifth brand, Duncan Hines ready-to-serve chocolate chip cookies, has begun national expansion from test markets and is already sold in one half of the United States. Beginning on page 9 of this Report is an in-depth discussion of these new products.

The industrial and institutional business made notable progress in unit volume growth and began to restore profitability to more satisfactory levels. Significant improvement in both volumes and margins was achieved in the wood pulp business, the largest of the Company's industrial product categories.

International Operations

International operations contributed $125 million to net earnings, an increase of 19% over the previous year. Unit volumes in aggregate established a new record. This growth was particularly encouraging in view of lingering effects of the recession in many countries and weakness of many foreign currencies in relation to the U.S. dollar.

Growth in unit volumes was especially noteworthy in France, Italy, Spain and the United Kingdom, as well as in Canada, Puerto Rico, the Middle East and export markets in the Far East. By contrast, economic difficulties continued to hamper the Company's progress in Mexico and South America.

During the year, new brands were expanded into national distribution in fourteen different product categories in nineteen countries around the world. Today we have consumer brands in twenty-three test markets within the international divisions.

International Operations

The pace of international acquisitions and new business ventures sharply increased this past fiscal year. To broaden our beverage business opportunities outside of the U.S., the Company completed an agreement to purchase the Dittmeyer companies, a processor and marketer of fruit juices and fruit drinks headquartered in Hamburg, Germany. The Company also acquired Crush Canada, Inc., which completes the worldwide acquisition of the Crush soft drink business. Operations in Chile began with the purchase of Laboratorio Geka S.A., a producer and marketer of toiletries in Chile.

Other promising new business arrangements were established in the Far East. In Taiwan, the local government has agreed to our application for a joint venture with Namchow Chemical Industrial Co. Ltd., the present distributor for our products. We have entered Malaysia on an import basis and that business is off to a good start. In other parts of the world, P&G products have been introduced into Egypt as a result of a licensing arrangement with The Forem Group Investment & Management Ltd. Co. and a new distributor relationship in Denmark has facilitated entry into business in that country, thus enlarging the scope of the Company's Scandinavian operations.

Our international markets represent a sizable growth opportunity for the Company. We expect that these investments in new markets, new lines of business, and new brands, coupled with the strength of our organization, will enable our international operations to make an increasingly significant contribution to Company progress in the years ahead.

Long-Term Growth

It is particularly appropriate when reviewing our current level of new product expansions to emphasize that the long-term development of the business is more important than the results of any single fiscal year. The Company's record over the past fifteen years is shown on pages 30 and 31 of this Report. During that period, earnings per share rose an average of 11% each year which is testimony, we believe, to the healthy long-term growth of the business.

Financial Strength

During the past several years, established products have generated sufficient monies to fund almost all of our new business opportunities including acquisitions. Our total long and short-term debt has remained virtually unchanged over the past four years. As a result, our improving debt-to-equity ratio has strengthened the balance sheet and continued to provide extraordinary financing flexibility with respect to future business opportunities.

Capital Expenditures

Capital expenditures amounted to $906 million, which was considerably higher than the $604 million of the previous year. Investments in manufacturing capacity for new products contributed importantly to the increased spending. Other major areas of spending included cost savings and productivity improvement projects, and projects designed to improve the quality of our existing products. In the coming year, we anticipate that capital spending will be somewhat higher than this past year with continuing emphasis in the areas mentioned above.

Research & Development

Key to the Company's continued growth is the importance we attach to research and development activities. Last year, these expenditures totaled $369 million, a 13% increase over the previous year and more than double the spending level of only six years ago. The Company's continuing commitment to these activities is essential to the development of new products and the revitalization of existing products.

Federal Deficits

The economic outlook in the United States continues to be clouded by huge federal deficits. Some progress has been made recently to reduce the deficits by increasing taxes and through limited reductions in spending. However, considerably more effort is required to further curtail government spending. Financing these unprecedented deficits has already created upward pressure on interest rates. Long term, they present a very real inflationary threat to the nation's future.

The permanent solution to deficits must include substantial spending cuts. In turn, this will require statesmanship from our government leaders and sacrifice from the electorate. But we are convinced that further action to balance the budget is necessary for the overall economic well-being of the nation.

Organization Changes

During the past year, the following changes took place in the senior management of the Company:

Edward G. Harness, Chairman of the Executive Committee of the Board, retired as an employee and officer of the Company after a distinguished career spanning almost forty-four years. He was President from 1971 through 1974, and Chairman and Chief Executive Officer from 1974 until 1981. During this period he guided the Company with surety and wisdom. We are pleased indeed that he has agreed to remain a director of the Company.

Edwin L. Artzt was elected Vice Chairman of the Board and President, Procter & Gamble International with continuing responsibility for international operations. He was previously Executive Vice President.

Thomas Laco was elected Vice Chairman of the Board with broad responsibility for most of the Company's major staff functions as well as its pharmaceutical, and foodservice and lodging products operations. He was previously Executive Vice President.

John E. Pepper was elected Executive Vice President with overall responsibility for the United States consumer products business excluding pharmaceuticals. He was previously Group Vice President.

Harald Einsmann was elected Group Vice President with responsibility for European operations. He was previously Vice President - Northern Europe.

Fred M. Wells, Vice President - Industrial Chemicals Division, retired after more than thirty-five years of valuable and productive service.

Organization Changes

The following changes took place in the membership of the Board of Directors:

Charles M. Barrett, M.D., President and Chief Executive Officer, The Western and Southern Life Insurance Company, and Horace A. Shepard, former Chairman of the Board and Chief Executive Officer of TRW, Inc., retired as directors. Each had served with distinction since 1974 and their advice and counsel will be missed.

Dr. Joshua Lederberg, President, The Rockefeller University, and John E. Pepper, Executive Vice President of the Company were elected to the Board.

The following new Vice Presidents of the Company were elected during the past year:

Wolfgang C. Berndt	Vice President - Germany
Benjamin L. Bethell	Vice President - Food Products Division
William B. Connell	Vice President - Beauty Care Division
Stephen P. Donovan, Jr.	Vice President - Packaged Soap and Detergent Division
B. Jurgen Hintz	Vice President - Beverage Division
Charles A. Lieppe	Vice President - Health and Personal Care Division
Lawrence D. Milligan	Vice President - Foodservice and Lodging Products Division
Samuel H. Pruett	Vice President - Personnel

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As we appraise the Company's prospects for the coming year and beyond, we are fully aware of the competitive pressures we face in the various categories in which we do business. But we believe the Company has many strengths available to meet these challenges. At the core of these strengths are the 62,000 men and women of Procter & Gamble throughout the world. They are what make the difference. They have been the key to our past successes, and because of them we look forward to the future with confidence.

Respectfully,

O B Butler

Chairman of the Board

John G. Smale

President and Chief Executive

August 9, 1984

An Exciting 1984 for P&G Brands

The past year has been an important one for Procter & Gamble as both new and existing brands made impressive progress in building for future business growth.

A lot of that progress centers around five important new brands expanding nationally.

introduced Nov 1983

- Citrus Hill frozen concentrate and chilled orange juice became available across the U.S. in November 1983. Citrus Hill is already a major national brand and is continuing to grow.

introduced May 1984

- Always, a new system of maxi pads, thin maxi pads, mini pads and pantiliners for feminine protection needs became the number two brand in its first six months of test marketing in the Minneapolis area. This important new brand was expanded nationally in May.

introduced during 1984

- Duncan Hines Ready-to-Serve Chocolate Chip Cookies became the leading chocolate chip cookie a few weeks after it was introduced in its 1983 Kansas City test market. After one month, the brand outsold all chocolate chip cookies combined and then became the number one packaged cookie in Kansas City. Now in about half of the country, it is being received with strong enthusiasm as it expands nationally.

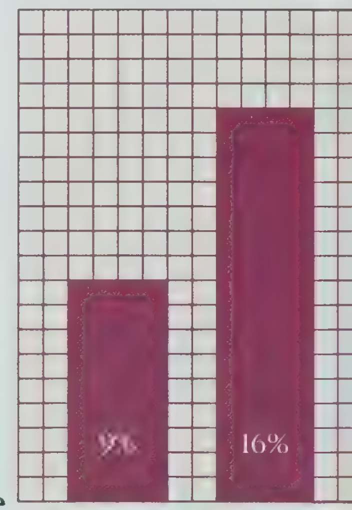
introduced June 1984

- Ivory Shampoo and Ivory Conditioner became two of the top selling brands a few months after entering test market in western Michigan. The brands began national distribution in June and became broadly available in early August.

introduced June 1984

- Encaprin, a non-prescription analgesic for relief of minor arthritis pain and inflammation, began national expansion in June. It delivers all the benefits of aspirin for treating arthritis symptoms, and offers superior stomach safety compared to both plain and buffered aspirin products.

These brands are just a few of the significant new steps P&G is taking to create growth favorable to more sales and earnings in the Company's future. In addition to packaged cookies, orange juice, sanitary pads for feminine protection and over the counter drugs, major new areas in which P&G now competes include the soft drink market with Crush products; the tea market with Tender Leaf; prepared frostings with Duncan Hines; and adult incontinent products with Attends.



P&G is now competing in categories that represent 16 percent of total retail sales through food, drug and mass merchandising stores versus only 9 percent had P&G not expanded into these markets. In effect, P&G has virtually doubled the size of the markets in which it competes, offering major opportunity for new growth. Not included in this comparison is the Company's growth in the pharmaceutical business achieved through the acquisition of Norwich Eaton Pharmaceuticals.

In markets outside the U.S. — markets where P&G's products appeal to consumer tastes and needs across many national borders — our Company has a similarly strong record of new product introductions over the past year. In our international operations, new products were expanded into 14 different product categories in 19 countries. The foundations for future growth also have been established through entry into Chile, Taiwan, Malaysia, Egypt and Denmark — places where P&G's products will appeal to consumers.

At home and abroad, these are significant opportunities for P&G. Our experience has shown that not only can we successfully build share in new categories, but with quality products and effective marketing we can generate even greater volume for our brands by stimulating overall market growth. For example, retailers are selling more packaged cookies and more orange juice than ever before. This process is the free market system working well to the benefit of consumers, retailers and P&G.

New Citrus Hill Orange Juice provides an exciting example of a business growth opportunity.

The market for orange juice (both frozen concentrate and chilled) grew from 70 million cases in 1975 to about 90 million cases last year — nearly a 30 percent increase.

P&G introduced Citrus Hill as our response to the many consumers who told us they wanted an orange juice with naturally sweet flavor, aroma and texture. Consumers confirmed that Citrus Hill was the orange juice they wanted. In Indiana, Iowa and Massachusetts test markets the total orange juice business jumped an average of 23 percent after Citrus Hill was introduced. Two months after Citrus Hill became available from coast to coast, orange juice consumption reached record highs. After being sold nationally for only six months, Citrus Hill has become the second most popular national brand of frozen orange juice concentrate.

always

Superior products begin with superior technology, and P&G has put its absorbency technology to work in the area of feminine protection products.

The dollar sales of these products in the U.S. more than quadrupled between 1970 and 1982 and is now a billion dollar plus business. A large part of this growth has been in beltless maxi pad, mini pad and pantiliner products.

However, research indicates that women were not satisfied with many external protection products.

Always, a complete system of external feminine protection products, offers a new, thoroughly tested technology which gives excellent protection with a cleaner, drier feeling than comparable products. Always provides a combination of a patented "Dri-Weave" topsheet and an absorbent core to help keep moisture away from the skin.

Always began test marketing in February 1983 after several years of extensive consumer research and laboratory testing. In six months, Always surpassed four major competitors to become the number two brand in the test market area, including North and South Dakota and parts of Minnesota. This spring, Always was expanded nationally and is being received enthusiastically by women across the country.

Duncan Hines Chocolate Chip Cookies are another convincing example of how a superior product builds business for P&G.

Between 1977 and 1983 dollar sales of packaged cookies in the U.S. doubled from $1.2 billion to $2.4 billion. That's a very large and growing market.

Yet, consumer research showed that packaged cookies were not completely satisfying — for the understandable reason that most consumers regard *homemade* cookies as the standard of excellence. The top selling cookie brands were simply not as good as those made at home.

P&G food scientists took a new approach. They created a ready-to-serve cookie that is crisp on the outside, yet remains soft and chewy on the inside — a cookie that tastes like homemade. And to make these cookies even more delicious, they mixed in chocolate chips.

In January 1983, Duncan Hines Chocolate Chip Cookies were ready for test market and the results were electrifying. Kansas City consumers — even those who previously had not bought packaged cookies — began shopping for Duncan Hines. In just a few weeks, Duncan Hines was the top selling chocolate chip cookie. Shortly, the brand was outselling all chocolate chip cookies combined and the market for cookies had been expanded dramatically. The brand then became the top-selling packaged cookie in Kansas City. P&G is moving to capitalize on this successful testing by expanding Duncan Hines Chocolate Chip Cookies across the U.S.

Citrus Hill, Always and Encaprin are new, previously unknown names. But there are two fresh products from P&G carrying the familiar Ivory name — known for over 100 years for quality, dependability and value.

That's quite a reputation to live up to, but Ivory Shampoo and Ivory Conditioner are doing just that in the growing value-priced segment of the hair care market.

Since 1970 shampoo sales in the U.S. have tripled. Consumers now use shampoos much more frequently than they did five years ago. They want their hair to look good and to feel good.

With about 85 shampoo brands on the market, the competition is intense. Of the top shampoos sold in 1970, only three major brands still have any significant business in 1984 — and two of those are P&G's Prell and Head & Shoulders.

Enter Ivory Shampoo and Conditioner — companion hair care products that leave value-minded consumers with the clean, soft, naturally shiny hair they're looking for.

Ivory Shampoo and Conditioner appeared on western Michigan store shelves in February 1983. Three months later they were two of the top selling brands in test market in their categories and continue their strong appeal as P&G expands them across the country.

Encaprin

Aspirin is the most widely used nonprescription analgesic for the relief of minor arthritis pain and inflammation. Analgesics are a big market, with sales in the U.S. greater than for deodorants or dentifrice.

But aspirin may cause stomach distress when taken in sufficiently large quantities to be effective in treating arthritis symptoms. That's why P&G developed Encaprin — to relieve pain and inflammation while being significantly safer to the stomach than plain or buffered aspirin.

Each Encaprin capsule contains hundreds of aspirin micrograins, each one specially coated to pass through the stomach into the upper intestinal track to quickly dissolve for effective relief. As a result, Encaprin significantly reduces stomach distress associated with the use of plain or buffered aspirin.

While designed principally for arthritis sufferers who are heavy consumers of aspirin, Encaprin is also effective in treating headache pain, muscle aches, fever, or any other symptom for which analgesics are normally used.

Expansion of this new brand was started in June and consumers can now find Encaprin at retail stores across the country.

The immense potential of these new brands is beginning to pay off for P&G, but there are equally exciting stories among our established products. Here's a brief look at just some of them.

Head & Shoulders anti-dandruff shampoo has been reformulated to provide improved dandruff control, a smoother, richer consistency and a light, fresh fragrance. Excellent consumer response to improved Head & Shoulders in test market led to national expansion early in 1984.

Pampers and Luvs have just introduced disposable diapers with single piece refastenable tapes — easier to use than earlier two-piece tapes. And the changes don't stop there. Other significant components are improved — absorbent padding, the lining material and the elastic — all in response to changing consumer needs and preferences.

Both the new Pampers and new Luvs are more absorbent than before, and both have double elastic leg cuffs designed for comfort. Another comfort factor is the diaper liner found on both Luvs and Pampers which is even softer than before.

Consumer enthusiasm for both products has been exciting as they expand into markets across the U.S.

More and more consumers prefer decaffeinated coffee, but they also want one with flavor that matches the original. National expansion of Decaffeinated Folgers Crystals began this summer. Taste tests show conclusively that this new brand provides the same rich coffee flavor consumers enjoy in Folgers Crystals Instant Coffee.

Downy Fabric Softener is expanding nationally in a new concentrated form intended to satisfy more consumers with its better overall value, its more convenient size and its no-drip measuring cap. Concentrated Downy saves on distribution costs and these savings are being passed on to the consumer.

Tide, America's favorite laundry detergent, is building its business with a product variation that is important to growing numbers of consumers — Unscented Tide.

This exciting new product is expanding across the country after becoming a highly popular laundry detergent in test market, It appeals to large numbers of consumers who want Tide's cleaning power, but in a product that leaves no noticeable scent behind on clean clothes. Unscented Tide offers an outstanding opportunity to build P&G's laundry detergent business.

The purity, mildness and good value of Ivory Soap are now available nationally in a desirable new form — Liquid Ivory Soap. It comes in a unique package with a pump dispenser for consumers who want a hand soap that is very convenient to use and helps keep sinks and lavatories neat and clean. It already has become the top selling liquid soap.

Orange Crush and Hires Root Beer have introduced sugar free versions sweetened exclusively with NutraSweet®* brand sweetener. Other low-calorie orange flavored and root beer soft drinks still contain saccharin which leaves an undesirable after taste. The all NutraSweet difference is a key reason consumers, in extensive taste tests, preferred sugar free Crush and Hires over major competition by a substantial margin. These new sugar free soft drinks became broadly available in March.

*NutraSweet is a registered trademark of G. D. Searle & Co. for its brand of sweetening ing

Many consumers prefer the scent of lemon in their cleaning products and new Lemon Scent Cascade gives consumers this choice in America's favorite automatic dishwashing detergent. The brand was introduced recently across the country and initial results are very encouraging.

Building a Legacy for the Future

As this report has shown, market opportunities and technical readiness have coincided across many fronts in the past year. P&G is seizing this opportunity to invest in the future.

The Company is entering many new markets against experienced competition — and this can be very challenging. But, over time, P&G usually has succeeded in establishing itself as a leader. We are confident this will continue as we introduce superior, well-marketed products to meet everchanging consumer needs.

Procter & Gamble's future growth prospects look very promising, indeed.

The purity, mildness and good value of Ivory Soap are now available nationally in a desirable new form — Liquid Ivory Soap. It comes in a unique package with a pump dispenser for consumers who want a hand soap that is very convenient to use and helps keep sinks and lavatories neat and clean. It already has become the top selling liquid soap.

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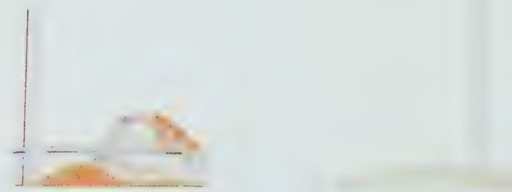

Soaps, Cleaners and Fabric Softeners

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Laundry and Dishwashing Products

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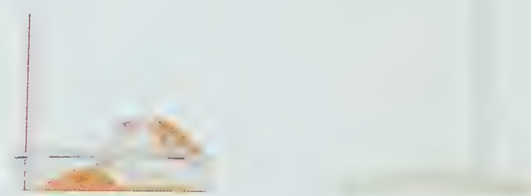

Paper and Personal Hygiene Products

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Foods

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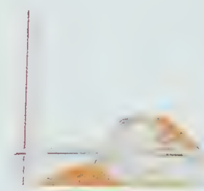

Beverages

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Beauty Care Products

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Health and Personal Care Products

The Procter & Gamble Company
P. O. Box 599, Cincinnati, Ohio 45201

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Consolidated Statement Of Earnings

The Procter & Gamble Company And Subsidiaries
Years Ended June 30, 1984, 1983 and 1982

Millions of Dollars Except Per Share Amounts

	1984	1983	1982
INCOME			
Net sales	**$ 12,946**	$ 12,452	$ 11,994
Interest and other income	**179**	129	129
	13,125	12,581	12,123
COSTS AND EXPENSES			
Cost of products sold	**8,533**	8,020	7,990
Marketing, administrative, and other expenses	**3,026**	2,903	2,639
Interest expense	**139**	108	95
	11,698	11,031	10,724
EARNINGS BEFORE INCOME TAXES	**1,427**	1,550	1,399
INCOME TAXES	**537**	684	622
NET EARNINGS	**$ 890**	$ 866	$ 777

Per Common Share

	1984	1983	1982
Net earnings	**$5.35**	$5.22	$4.69
Average shares outstanding (in millions): 1984—166.4; 1983—165.9; 1982—165.6			
Dividends	**$2.40**	$2.25	$2.05

See Notes to Consolidated Financial Statements—pages 24-29.

Consolidated Balance Sheet

The Procter & Gamble Company And Subsidiaries
June 30, 1984 and 1983

Millions of Dollars

ASSETS	1984	1983
CURRENT ASSETS		
Cash	$ 39	$ 23
Marketable securities	702	917
Accounts receivable, less allowance for doubtful accounts	1,058	865
Inventories	1,540	1,409
Prepaid expenses and other current assets	317	254
	3,656	3,468
PROPERTY, PLANT, AND EQUIPMENT	6,646	5,956
Less accumulated depreciation	1,978	1,770
	4,668	4,186
OTHER ASSETS, PRIMARILY GOODWILL	574	481
TOTAL	$ 8,898	$ 8,135

LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable—trade	$ 963	$ 804
Accounts payable—other	252	223
Accrued liabilities	637	550
Taxes payable	165	275
Debt due within one year	357	226
	2,374	2,078
LONG-TERM DEBT	630	783
DEFERRED INCOME TAXES	814	673
SHAREHOLDERS' EQUITY		
Common shares	167	166
Additional paid-in capital	299	211
Currency translation adjustments	(265)	(196)
Retained earnings	4,879	4,420
	5,080	4,601
TOTAL	$ 8,898	$ 8,135

See Notes to Consolidated Financial Statements—pages 24-29.

Consolidated Statement Of Changes In Financial Position

The Procter & Gamble Company And Subsidiaries
Years Ended June 30, 1984, 1983 and 1982

Millions of Dollars

SOURCE OF FUNDS	**1984**	1983	1982
Net earnings	**$ 890**	$ 866	$ 777
Depreciation and depletion	**330**	311	267
Deferred income taxes	**155**	44	83
Total from operations	**1,375**	1,221	1,127
Increase in long-term debt	**165**	216	90
Increase in debt due within one year	**131**	22	26
Increase in other current liabilities	**167**	157	164
	1,838	1,616	1,407
USE OF FUNDS			
Capital expenditures	**906**	604	625
Dividends to shareholders	**399**	373	340
Reduction of long-term debt	**318**	279	119
Increase in inventories	**131**	(62)	(8)
Increase in accounts receivable	**193**	14	37
Acquisition of Norwich Eaton pharmaceutical business	**—**	—	371
Other items, net	**90**	46	(39)
	2,037	1,254	1,445
INCREASE (DECREASE) IN CASH AND MARKETABLE SECURITIES	**$ (199)**	$ 362	$ (38)

Consolidated Statement Of Retained Earnings

The Procter & Gamble Company And Subsidiaries
Years Ended June 30, 1984, 1983 and 1982

Millions of Dollars

	1984	1983	1982
Balance at beginning of year	**$4,420**	$3,990	$3,574
Net earnings	**890**	866	777
Dividends to shareholders	**(399)**	(373)	(340)
Excess of cost over the stated value of common shares purchased for treasury	**(32)**	(63)	(21)
Balance at end of year	**$4,879**	$4,420	$3,990

See Notes to Consolidated Financial Statements—pages 24-29.

1. Summary of Significant Accounting Policies

PRINCIPLES OF CONSOLIDATION: The financial statements include the accounts of The Procter & Gamble Company and its majority-owned subsidiaries. Investments in 20% to 50% owned affiliates in which significant management control is exercised are included at original cost adjusted for the change in equity since acquisition. Other investments in affiliates are carried at cost.

CURRENCY TRANSLATION: Assets and liabilities denominated in nearly all foreign currencies are translated into U.S. dollars at year-end exchange rates. Gains or losses from these translations are excluded from net earnings and reflected in shareholders' equity.

MARKETABLE SECURITIES: Substantially all of the marketable securities are government and corporate debt instruments which are carried at cost which approximates market.

INVENTORY VALUATION: Inventories are valued at the lower of cost or market. Cost for most inventories is determined by the last-in, first-out method. For the remaining inventories, cost is determined primarily by the average cost method.

GOODWILL: The excess of the purchase price over the value ascribed to net tangible assets of businesses acquired after October 31, 1970 is amortized on a straight-line basis over forty years. Goodwill arising prior to that date is not amortized.

DEPRECIATION: Depreciation is calculated on a straight-line basis over the estimated useful lives of the properties for financial accounting purposes.

INCOME TAXES: Provision is made for the income tax effects of all transactions in the consolidated statement of earnings, including those for which actual tax payment or tax relief is deferred to future years. These deferrals result primarily from the use of shorter equipment lives and accelerated methods of depreciation for tax purposes.

Investment tax credits are recognized as a reduction of the tax expense in the year in which the related assets are placed in service or earlier where permitted by tax regulations.

OTHER EXPENSES: Advertising and research and development costs are charged against earnings in the year incurred.

2. Earnings Statement Information

The following information is provided for years ended June 30:

Millions of Dollars Except Per Share Amounts	1984	1983	1982
RESEARCH AND DEVELOPMENT COSTS	**$ 369**	$ 327	$ 286
CAPITALIZED INTEREST	**10**	4	11
EARNINGS BEFORE INCOME TAXES			
U.S.	**1,255**	1,391	1,288
International	**172**	159	111
INCOME TAXES			
Current			
Federal	**289**	519	438
Foreign	**76**	77	66
Other	**17**	44	35
	382	640	539
Deferred			
Federal	**140**	48	86
Foreign and Other	**15**	(4)	(3)
	155	44	83
Deferred tax components:			
Depreciation	**123**	95	97
Foreign source income and expense	**50**	—	—
Other	**(18)**	(51)	(14)
	155	44	83
U.S. INVESTMENT, RESEARCH AND ENERGY TAX CREDITS	**48**	54	46
TOTAL TAX EXPENSE including income taxes identified separately on the consolidated statement of earnings as well as property, franchise, social security, and other taxes paid to federal, state and local governments throughout the world which are included in other cost and expense categories	**772**	909	841

THE EFFECTIVE INCOME TAX RATE in 1984 was 37.6%, compared to the U.S. statutory tax rate of 46%. U.S. investment, research and energy tax credits, which in prior years represented the principal reason for such differences, accounted for 3.4%. Lower tax rates on our International business, including the effects of subsidiary restructuring, accounted for 3.7%.

QUARTERLY RESULTS (UNAUDITED)

					Per Share of Common Stock			
	Net Sales		Net Earnings		Net Earnings		Dividends	
Quarter Ended	1983-84	1982-83	1983-84	1982-83	1983-84	1982-83	1983-84	1982-83
September 30	$ 3,277	$ 3,201	$273	$257	$1.64	$1.55	$ .60	$ .525
December 31	3,135	3,030	214	210	1.29	1.27	.60	.525
March 31	3,283	3,131	220	218	1.32	1.31	.60	.600
June 30	3,251	3,090	183	181	1.10	1.09	.60	.600
Total Year	$12,946	$12,452	$890	$866	$5.35	$5.22	$2.40	$2.250

3. Balance Sheet Information

The following information is provided as of June 30:

Millions of Dollars	1984	1983
INVENTORIES		
Raw materials and supplies	**$ 610**	$ 550
Work in process	**227**	138
Finished products	**703**	721
	1,540	1,409
Excess of replacement cost over the stated value of LIFO inventories	**423**	304
PROPERTY, PLANT, AND EQUIPMENT, at cost		
Buildings	**1,087**	1,010
Machinery and equipment	**5,308**	4,723
Land	**117**	113
Timberlands, less depletion	**134**	110
	6,646	5,956
ACCRUED LIABILITIES		
Compensation expenses	**136**	135
Marketing expenses	**341**	269
Other	**160**	146
	637	550
LONG-TERM DEBT		
8¼% sinking fund debentures, due 2005 (annual sinking fund payments of $15 million will be required beginning in March, 1994)	**178**	249
10.3% notes due in June, 1985	**150**	150
8.6% Japanese yen debentures, payable in six equal annual installments beginning in June, 1987 totaling $45 million, and $39 million in June, 1993	**84**	83
7% sinking fund debentures, due 2002 (annual sinking fund payments of $5 million are required beginning in May, 1994)	**31**	60
6⅛% Deutsche mark note, payable in installments of $7 milllion in December, 1984, and $11 million each in December, 1985 and 1986	**29**	40
4.7% to 9¼% installment purchase obligations related to industrial revenue bonds, payable in varying amounts annually from 1985 through 2013	**119**	80
Other, due in varying amounts through 2019	**219**	181
	810	843
Less amounts included in debt due within one year	**(180)**	(60)
Total long-term debt	**630**	783

Total long-term debt, in millions, amounted to $846 in 1982 and 1981; $835 in 1980.

The following payments, in millions, are required during the next five fiscal years: 1985 — $180; 1986 — $32; 1987 — $36; 1988 — $23; 1989 — $20.

4. Shareholders' Equity

Authorized common stock is 250 million shares (without par value) with stated value of $1 per share. There were 166,985,865 shares and 165,770,054 shares outstanding at June 30, 1984 and 1983, respectively, after deducting 1,713,374 shares and 1,316,927 shares held in treasury at June 30, 1984 and 1983, respectively.

Authorized 8% (cumulative) preferred stock of 22,500 shares of $100 par value each was retired in October, 1983 after each of the 1,460 outstanding shares was changed into 4 shares of common stock as a result of the adoption by the shareholders of an amendment to the Amended Articles of Incorporation. There were 1,460 shares outstanding at June 30, 1983 after deducting 21,040 shares held in treasury at that date. A separate class of 3,000,000 shares of authorized preferred stock of $100 par value was undesignated and unissued.

Under the Company's stock option plans, options have been granted to key employees to purchase common shares of the Company at the market value on the dates of the grants. Activity was as follows:

	Year Ended June 30, 1984		Year Ended June 30, 1983	
	Shares	Average Price	Shares	Average Price
Outstanding at beginning of year	3,689,457	$43.20	3,842,692	$41.10
Options granted	986,550	46.69	711,250	55.06
Options exercised	(430,133)	40.46	(738,305)	42.75
Options canceled	(67,544)	44.97	(126,180)	48.76
Outstanding at end of year	4,178,330	44.27	3,689,457	43.20

Options for 3,038,217 and 2,171,581 shares were exercisable at June 30, 1984 and 1983, respectively. There were 5,520,150 and 237,774 shares available for the granting of options at June 30, 1984 and 1983, respectively, including 6,500,000 shares made available under the 1983 Stock Plan authorized by the shareholders in October, 1983. Shares under the 1975 Stock Option Plan may no longer be granted since this plan was terminated in October, 1983.

Changes in additional paid-in capital for the years ended June 30 are as follows:

Millions of Dollars	**1984**	1983	1982
Transfer to common shares and related expenses of two-for-one stock split effective January 21, 1983	**$ —**	$ (84)	$ —
Excess amount realized over the stated value of:			
Common shares issued in exchange for $100 million, $55 million and $25 million principal amount of long-term debt and for tendered 8% preferred shares (1,423,573, 789,562 and 413,976 shares, respectively, including 6,460 treasury shares in 1983)	**69**	38	15
Common shares issued pursuant to employee stock option and remuneration plans (481,040, 774,643, and 31,510 shares, respectively, including 292,355, 396,400, and 4,534 treasury shares, respectively)	**19**	35	1
Total change for the year	**$ 88**	$ (11)	$ 16

Changes in currency translation adjustments for the years ended June 30 are as follows:

Millions of Dollars	**1984**	1983	1982
Cumulative adjustments at beginning of 1982	**$ —**	$ —	$ (93)
Adjustments during the year	**(69)**	(65)	(38)
Total change for the year	**$ (69)**	$ (65)	$(131)

5. Segment Information

Sales between geographic areas and those between business segments, included in net sales below, are made at prices approximating market and are eliminated from total net sales. Corporate earnings include interest income and expense, and other general corporate income and expense. Corporate assets include primarily cash and marketable securities.

GEOGRAPHIC AREAS

The Company's international operations are conducted in various countries primarily through self-contained subsidiaries. Each country has a distinct social, political, economic and business environment. No individual country accounts for 10% of consolidated sales or assets.

Millions of Dollars	United States	International	Corporate	Total
Net Sales				
1982	$8,610	$3,737	$ (353)	$11,994
1983	9,074	3,685	(307)	12,452
1984	9,554	3,737	(345)	12,946
Net Earnings				
1982	685	88	4	777
1983	758	105	3	866
1984	707	125	58	890
Assets				
1982	5,054	1,700	756	7,510
1983	5,344	1,614	1,177	8,135
1984	6,072	1,740	1,086	8,898

BUSINESS SEGMENTS

The Company's operations are characterized by interrelated raw materials and manufacturing facilities and centralized research and administrative staff functions, making any separate profit determination by product category dependent upon necessarily arbitrary assumptions as to allocations of common costs. Different assumptions or physical or organizational arrangements would produce different results.

Millions of Dollars	Laundry and Cleaning Products	Personal Care Products	Food Products	Other Products	Corporate	Total
Net Sales						
1982	$4,736	$4,450	$2,192	$ 962	$ (346)	$11,994
1983	4,756	4,780	2,249	1,079	(412)	12,452
1984	4,715	4,930	2,461	1,309	(469)	12,946
Earnings Before Income Taxes						
1982	660	550	133	53	3	1,399
1983	725	694	117	29	(15)	1,550
1984	740	689	(91)	96	(7)	1,427
Assets						
1982	1,710	2,954	1,005	1,085	756	7,510
1983	1,670	2,918	1,219	1,151	1,177	8,135
1984	1,845	3,242	1,556	1,169	1,086	8,898
Capital Expenditures						
1982	155	244	103	112	11	625
1983	199	204	116	81	4	604
1984	228	321	234	113	10	906
Depreciation						
1982	70	109	36	49	3	267
1983	76	133	41	59	2	311
1984	75	142	48	64	1	330

Laundry and Cleaning Products include detergents, fabric softeners, cleaners and cleansers. Personal Care Products include bar soaps, toothpastes, mouthwash, deodorants, shampoos, paper tissue products, disposable diapers and pharmaceuticals. Sales of disposable diapers represented approximately 16%, 17%, and 17% of consolidated sales in 1984, 1983 and 1982, respectively. Food Products include shortenings, oils, prepared baking mixes, peanut butter, potato chips, coffee, soft drinks and citrus products. Products of the Laundry and Cleaning Products, Personal Care Products and Food Products segments are distributed primarily through grocery stores and other retail outlets. Other Products include cellulose pulp, chemicals and animal feed ingredients which are sold direct to customers and through jobbers. Net sales of Other Products include intersegment sales amounting, in millions, to $467 in 1984, $412 in 1983, and $293 in 1982. Total assets amounted, in millions, to $6,961 in 1981 and $6,572 in 1980.

6. Supplemental Information on the Effects of Inflation and Changing Costs (Unaudited)

Information concerning the effects of inflation and changing costs is presented on page 33.

Report of Independent Accountants

Deloitte
Haskins+Sells

425 Walnut Street
Cincinnati, Ohio 45202

To the Board of Directors and Shareholders of The Procter & Gamble Company:

We have examined the consolidated balance sheets of The Procter & Gamble Company and subsidiaries as of June 30, 1984 and 1983 and the related consolidated statements of earnings, retained earnings, and changes in financial position for each of the three years in the period ended June 30, 1984. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of the companies at June 30, 1984 and 1983 and the results of their operations and the changes in their financial position for each of the three years in the period ended June 30, 1984, in conformity with generally accepted accounting principles applied on a consistent basis.

Deloitte Haskins & Sells

August 9, 1984

Financial Review 1969-1984

The Procter & Gamble Company And Subsidiaries
Years Ended June 30

Millions of Dollars Except Per Share Amounts

	1969	1970	1971
NET SALES	$2,708	$2,979	$3,178
NET EARNINGS	$ 187	$ 211	$ 237
NET EARNINGS PER COMMON SHARE	$ 1.12	$ 1.30	$ 1.45
NET EARNINGS AS PERCENT OF NET SALES	6.9%	7.1%	7.5%
DIVIDENDS PER COMMON SHARE	$ .63	$ .66	$ .70

*Excludes an extraordinary charge of $75 million ($.45 per common share) associated with the suspension of sale of Rely tampons.
Net earnings and dividends per common share have been adjusted for the stock splits in 1970 and 1983.

Analysis And Discussion

1984

Net sales in 1984 increased 4 percent over those for 1983. The increase in unit volume was greater than that in dollar sales.

Interest and other income in 1984 included a $30 million non-taxable gain resulting from exchanges of approximately 1,420,000 newly issued common shares for $100 million principal amount of the Company's long-term debt. There was a $16 million gain in 1983 from similar exchanges.

Earnings before income taxes declined 8 percent from the previous year primarily as a result of an aggressive program of investment in new brand introductions and the highly competitive climate faced by many of the Company's established brands in the U.S. consumer business. The industrial and institutional business made notable progress in unit volume growth and in restoring profitability to more satisfactory levels.

Net earnings in 1984 increased 3 percent over those for 1983 due in part to a lower effective tax rate. The unusually low effective rate was the result of a number of factors, some of which are expected to continue in subsequent periods. These factors importantly included the effects of lower tax rates on our international business.

2	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	**1984**
14	$3,907	$4,912	$6,082	$6,513	$7,284	$8,100	$9,329	$10,772	$11,416	$11,994	$12,452	**$12,946**
76	$ 301	$ 316	$ 332	$ 400	$ 460	$ 510	$ 575	$ 640	$ 668*	$ 777	$ 866	**$ 890**
68	$ 1.84	$ 1.92	$ 2.02	$ 2.42	$ 2.78	$ 3.09	$ 3.48	$ 3.87	$ 4.04*	$ 4.69	$ 5.22	**$ 5.35**
%	7.7%	6.4%	5.5%	6.1%	6.3%	6.3%	6.2%	5.9%	5.9%*	6.5%	7.0%	**6.9%**
75	$ .78	$ .90	$ .95	$ 1.03	$ 1.20	$ 1.35	$ 1.55	$ 1.70	$ 1.90	$ 2.05	$ 2.25	**$ 2.40**

1983

Net sales in 1983 increased 4 percent over those for 1982. Unit sales increased in excess of dollar sales.

Interest and other income in 1983 included a $16 million non-taxable gain resulting from exchanges of approximately 780,000 newly issued common shares, as adjusted for the January, 1983 two-for-one stock split, for $55 million principal amount of the Company's long-term debt. There was a $10 million gain in 1982 from a similar exchange.

Net earnings in 1983 increased by 11 percent over those in 1982.

Net earnings from domestic operations totaled $758 million, an 11 percent increase over the previous year. Unit volume growth was broadly based and margins continued to show improvement, with cost savings and productivity gains major contributing factors. Continuing pressure on selling prices in some industrial categories, especially wood pulp, had an adverse effect on earnings.

Net earnings from international operations amounted to $105 million, an increase of 19 percent over the previous year. Good progress was made during the year in both unit volume growth and earnings despite continuing economic recession in many countries, and general weakening of foreign currencies in relation to the U.S. dollar.

Financial Condition

The Company's financial condition is very strong. Indicative of this strength are cash and securities on hand at June 30, 1984 of $741 million and its AAA credit rating. This rating provides the Company significant flexibility in choosing from numerous financing alternatives, both short and longer term, in the domestic and international capital markets.

In 1984, as in the past, cash generated from the Company's operations provided the primary source of funds for the working capital requirements and the capital expenditures that support the growth of the business, and dividends to shareholders. This pattern is expected to continue.

The investment in receivables and inventories, less payables and accrued liabilities, amounted to $581 million as of June 30, 1984. This represents a decrease of 13 percent from the investment as of June 30, 1981, demonstrating the Company's commitment to controlling working capital at minimum levels consistent with business growth.

Capital expenditures totaled $2,135 million from 1982 through 1984, including $906 million in 1984. A somewhat higher level of capital spending is projected for the coming fiscal year.

Dividends during the period 1982 through 1984 amounted to $1,112 million and have been increased from $2.05 per share in 1982 to $2.40 per share in the current fiscal year. In July, 1984, the quarterly dividend was increased to an annual rate of $2.60 per share.

Total long-term debt and debt due within one year at June 30, 1984 amounted to $987 million, representing 14 percent of total capital employed. For comparison, debt as a percentage of total capital employed as of June 30, 1983, 1982 and 1981 was 16, 18, and 19 percent respectively.

The Company finances its operations outside the United States primarily in local currencies which act as a hedge against foreign currency exchange rate changes. Therefore, the impact of currency fluctuations on the financial position of the Company is minimal. There are no significant restrictions on remittances of funds generated by the Company's operations outside the United States.

Information concerning the effects of inflation and changing costs is presented on page 33.

Responsibility For The Financial Statements

The financial statements of The Procter & Gamble Company and its subsidiaries are the responsibility of, and have been prepared by, the Company, in accordance with generally accepted accounting principles. To help insure the accuracy and integrity of its financial data, the Company has developed and maintains internal accounting controls which are designed to provide reasonable assurances that transactions are executed as authorized and accurately recorded, and that assets are properly safeguarded. These controls are monitored by an extensive program of internal audits.

The financial statements have been examined by the Company's independent public accountants, Deloitte Haskins & Sells. Their report is shown on page 29.

The Board of Directors has an Audit Committee composed of five outside Directors. The Committee meets periodically with representatives of Deloitte Haskins & Sells and financial management to review accounting, control, auditing, and financial reporting matters. To help assure the independence of the public accountants, Deloitte Haskins & Sells regularly meets privately with the Audit Committee.

Supplemental Information On The Effects Of Inflation And Changing Costs

(Unaudited)

The following table illustrates the impact of inflation on certain charges against the Company's reported earnings, and on the assets from which these charges were derived. Depreciation expense and cost of products sold are restated upward to a "current cost" basis to arrive at a current cost net earnings. Prior years' current cost and reported earnings as well as other financial indicators such as net sales, dividends per common share and market price per common share at June 30 are restated upward to an average 1983-84 dollar basis, using the U.S. consumer price index.

Shareholders are cautioned that these restated figures are experimental approximations which don't measure fully all of the effects of inflation on the Company's business. Nevertheless, they do indicate the increasing cost of replacing assets during inflationary times. For example, in the latest fiscal year ended June 30, 1984, current cost earnings of $675 million are lower than reported earnings of $890 million. The difference is due primarily to higher depreciation expense on plant and equipment revalued upward for cost changes since their acquisition.

Comparison Of Selected Financial Information — Stated in 1983-84 Dollars

Millions of Dollars Except Per Share Amounts

	Year Ended June 30				
	1980	1981	1982	1983	1984
Net Sales	$14,125	$13,418	$12,972	$12,911	$12,946
Net earnings	839	785	841	898	890
Current cost adjustments					
Depreciation	(201)	(219)	(201)	(197)	(189)
Cost of products sold, excluding depreciation	(64)	(41)	(22)	(2)	(26)
Current cost net earnings	574	525	618	699	675
Inflation gain on net amounts owed [a]	191	159	122	77	77
Current cost net earnings per common share	3.47	3.18	3.73	4.21	4.06
Dividends per common share	2.23	2.23	2.22	2.33	2.40
Dividends as a percent of current cost net earnings	64%	70%	60%	55%	59%
Market price per common share at June 30	45.41	42.57	43.54	56.39	51.40
Net assets at June 30 [b]	7,582	7,340	7,675	7,798	8,153
Amount by which the increase in the current costs of property, plant, and equipment and inventories held during the year is greater (less) than that of general inflation [b]	(639)	(212)	(11)	(172)	28
Changes in currency translation adjustments and parity adjustments	41	(242)	(1)	(106)	(66)
Average U.S. Consumer Price Index	100.0	111.6	121.2	126.5	131.1

(a) The "inflation gain on net amounts owed" provides a general dimension of the benefit to the Company from future payment of its debt in dollars of reduced purchasing power due to continuing inflation.

(b) At June 30, 1984, the current cost of property, plant, and equipment, net of accumulated depreciation, was $7,455 million and the current cost of inventories was $2,010 million.

The current cost of property, plant, and equipment was determined from the Company's domestic cost index, or comparable foreign indices, applied by year of asset acquisition. The current cost of inventories was based on current market or receipt prices of materials and current manufacturing expenses. General inflation was measured by consumer price indices in the United States and abroad.

Shareholder's Records

The Procter & Gamble Company Stock Transfer Department, P.O. Box 599, Cincinnati, Ohio 45201 maintains all shareholder records and can answer questions regarding shareholders' accounts. Shareholders wishing to transfer stock or to change the name on a stock certificate should contact the Department for instructions.

Stock certificates are valuable and should be safeguarded since replacement takes time and requires a security bond payment by the shareholder. If a stock certificate is lost, stolen or destroyed, the Stock Transfer Department should be notified promptly. Advice for mailing certificates may be obtained from the Department.

Dividend Reinvestment Plan

A Dividend Reinvestment Plan, with a cash payment option, is available to holders of common stock who wish to increase their investment in Procter & Gamble. The Company pays the administrative costs related to the plan. Plan participation is voluntary; and shareholders may join or withdraw at any time.

Full details about the plan are available from:

The Procter & Gamble Company
Stock Transfer Department
P.O. Box 599
Cincinnati, Ohio 45201

Toll Free Telephone Number

A special toll free 800-line is available to answer shareholders' questions about their accounts, dividend checks, dividend reinvestment, stock transfers or related Company subjects. Shareholders outside Ohio should call 1-800-742-6253. Ohio shareholders should call 1-800-582-2685.

Shareholders' Meeting

The next annual meeting of the shareholders will be held on Tuesday, October 9, 1984, at the Company's General Offices, 301 East Sixth Street, Cincinnati, Ohio 45202.

Transfer Agent
The Procter & Gamble Company
Stock Transfer Department
P.O. Box 599
Cincinnati, Ohio 45201

Registrar
The Central Trust Company, N.A.
5th and Main Sts.
Cincinnati, Ohio 45202

Exchange Listing
New York, Cincinnati, Amsterdam, Paris, Basle, Geneva, Lausanne, Zurich, Frankfurt, Antwerp, Brussels.

Price Range
The quarterly price range of common shares based on the NYSE-Composite transactions is shown below:

	1983-84		1982-83	
Quarter Ended	High	Low	High	Low
September 30	57.38	50.50	50.75	40.63
December 31	60.25	55.00	61.50	49.06
March 31	57.25	45.63	62.50	50.75
June 30	52.88	46.25	63.25	52.50

Shareholders of Common Stock
There were 100,585 shareholders of common stock of record as of July 20, 1984.

Form 10-K
Shareholders may obtain in October, 1984 a copy of the Company's 1984 report to the Securities and Exchange Commission on Form 10-K by sending a request to: Mrs. Rita M. Neago, Assistant Secretary, The Procter & Gamble Company, P.O. Box 599, Cincinnati, Ohio 45201. Shareholders attending the annual meeting may obtain a copy, on request, immediately prior to the meeting.

Principal Operating Companies

In The United States

The Procter & Gamble Company
The Procter & Gamble Distributing Company
The Procter & Gamble Manufacturing Company
The Procter & Gamble Paper Products Company
Ben Hill Griffin Citrus Co.
The Buckeye Cellulose Corporation
The Buckeye Oilseed Products Company
Coca-Cola Bottling Mideast, Inc.
The Crush Companies
The Duncan Hines Companies
The Folger Coffee Company
Norwich Eaton Pharmaceuticals, Inc.

In Other Countries

Austria: Procter & Gamble Vertriebsgesellschaft m.b.H.
Belgium: Procter & Gamble Benelux
Canada: Procter & Gamble Inc.
Procter & Gamble Cellulose, Ltd.
Chile: Laboratorio Geka S.A.
Colombia: Norwich Colombiana, S.A.
Federal Republic of Germany: Procter & Gamble GmbH
Finland: Procter & Gamble OY
France: Procter & Gamble France
Greece: Procter & Gamble Hellas A.E.
Italy: Procter & Gamble Italia, S.p.A.
Japan: Procter & Gamble Far East, Inc.
Lebanon: The Procter & Gamble Manufacturing Company of Lebanon, S.A.L.
Mexico: Procter & Gamble de Mexico, S.A. de C.V.
Norwich Pharmacal Company de Mexico, S.A. de C.V.
Morocco: Moroccan Modern Industries
The Netherlands: Procter & Gamble Benelux
Peru: Deterperu, S.A.
Philippines: Procter & Gamble Philippine Manufacturing Corporation
Puerto Rico: The Procter & Gamble Commercial Company
Eaton Laboratories, Inc.
Saudi Arabia: Modern Industries Company
Modern Products Company
Spain: Procter & Gamble España, S.A.
Sweden: Procter & Gamble Aktiebolag
Switzerland: Procter & Gamble A.G.
United Kingdom: Procter & Gamble Limited
Venezuela: Procter & Gamble de Venezuela, C.A.